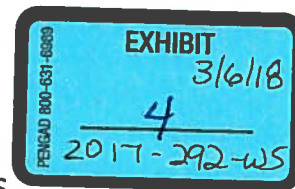


March 5, 2018

The Public Service Commission of South Carolina
 Attn: Clerk's Office
 101 Executive Center Drive, Suite 100
 Columbia, SC 29211



Re: Docket No. 2017-292-WS
 Summary of Testimony with Exhibits

[Note: Exhibit A herein is the "Summary" only (without exhibits) filed under Docket No. 2013-201-WS as Merit Hearing Exhibit 10, on November 4, 2013, and pre-filed exhibits at the York County hearing. Exhibit B herein is the "Summary" only (without exhibits) intended to be, but not filed under Docket No. 2015-199-WS, due to a medical condition making it impossible for me to attend the scheduled hearing as planned. Both are attached here to more fully set forth my stated position on issues relevant to Docket No. 2017-292-WS]

Members of the Commission:

I am a resident homeowner at 3006 Shandon Road, Rock Hill, in York County, South Carolina. I am presently both a water and sewer customer of Carolina Water Service, Inc. (formerly, Utilities Services of South Carolina, Inc., and both companies being subsidiaries of Utilities, Inc.), in the Shandon Subdivision. I most definitely oppose any increase in the present water and sewer rates being granted to Carolina Water Service, Inc. (CWS); and specifically the increased rates set forth in the CSW Application, Docket No. 2017-292-WS. I do, in fact, request that the Commission instead grant a reduction in water and sewer rates to all CSW customers; and grant a proportionate return of funds previously collected by CWS to Shandon customers for the reasons set forth below. Further, I would request that the Commission reject the creation of a Utility System Improvement Rate (USIR); and seek additional information and expanded time for consideration of all matters requested by CWS in its Application, Docket No. 2017-292-WS.

CWS (through USSC and Utilities, Inc.) has failed in the past to maintain and monitor the Shandon Subdivision water and sewer systems in a timely, professional, effective manner; and has failed repeatedly to be compliant with DHEC requirements. Neglect of routine maintenance standards placed the Shandon wastewater treatment plant (lagoon) so far in violation of DHEC requirements that it was ordered closed by DHEC. Over a period from 1/31/2009 through 2/29/2012 USSC was ordered to pay \$28,200.00 in fines for non-compliance. During this period, USSC continued to pollute the water shed as they tried bandaid methods unsuccessfully to bring the Shandon WWTP into compliance, at a cost of \$164,533.23, plus \$23,818.00 to fulfill Consent Orders, for a total of \$188,351.23 (which does not include fines paid to DHEC). See Exhibit A, Summary of Testimony and Exhibits, 2013-201-WS. In total disregard for the regulations of the Public Service Commission, USSC failed to notify the Office of Regulatory Staff and the Commission of these ongoing violations and penalties; and failed to likewise advise the Shandon residents of the situation. These measures were too little, too late; and were wasted when an expensive wastewater package plant had to be installed to regain compliant sewer service for Shandon residents at a total separate cost of \$379,130.14, plus an additional fine of \$1,800.00 for failure to obtain a DHEC permit before beginning operation of the new facility. See also Exhibit B, Summary Testimony With Exhibits, 2015-199-WS. Both the attempted measures to bring the lagoon into compliance and the new package plant itself were remedial in nature, not capital expenditures. USSC "broke" the wastewater system through ordinary neglect and failure to maintain the lagoon properly; and then, in order to provide residents with any type of sewer service, USSC had to "buy" Shandon a new WWTP. This was not a capital expenditure, and USSC should not have used the Shandon expenses to obtain an increase in rates in Docket Nos. 2013-201-WS and 2015-199-WS.

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The most recent problem facing the Shandon Subdivision residents is, again, a longstanding situation known to Utilities, Inc. and its subsidiaries, USSC and now CWS concerning the quality of water, water service, maintenance of the three Shandon wells and the water storage and delivery system. As early as the summer of 1997, the time at which U.S. Utilities acquired the water (and sewer) responsibilities for Shandon from Blue Ribbon Water Corp., the predecessor to CWS was aware that Shandon had a problem with water quality and necessary water flow from each of the three wells. See Exhibit C, pp. 1-4, other similar notices over the years are too numerous to copy here. While in violation of DHEC standards, due to a leak in the Shandon water storage tank, immediately adjacent to Well #1, USSC began steps in June, 2010, to replace the old 5,000 gallon tank with a 10,000 gallon tank. (Due to the leak of water at the tank onto the ground, drawing mosquitoes, DHEC determined if “water is getting out, then contaminants can get in” to the Shandon water supply.) This switching of water storage tanks was not completed until May, 2012. See Exhibit D, pp.1-2, picture 4 shows the new 10,000 gallon storage tank and the #1 well pump, enclosed in the pump house; picture 6 shows the pump house enclosing well #2, and picture 8 shows pump house at well #3 – all three wells are located on Shandon road. The storage tank and placement expenditures totaled \$41,240.26 (based on USSC invoices, see 2013-201-WS; and \$24,122.51 was spent on repairs to the three wells and pump houses.

Problems with the water quality and water delivery continued from 2012 and became a major problem in November, 2015. Shandon residents first notice of this situation came by way of a “Boil Water Advisory”, dated November 6, 2015, and stating that “a well” had been removed from service. See Exhibit E. Residents were not informed by CWS, but could clearly see that a water supply tanker truck was delivering our water. The water tanker, Davis Water Service, was out of Randelman, NC, which seemed odd, but not as odd as the invoice I received on December 9, 2015, at our street address, from Davis Water Service, in the amount of \$16,600.00 for tanker rental and water delivery services, 11/08/15 to 11/30/15! I opened this piece of mail without looking, and then caught the error in “addressee” which was unknown, of course, at our address. See Exhibit F. What is upsetting to the Shandon residents, and yet typical of CWS, is that water deliveries have continued on a regular basis (often 3 times a week) to the present. In or around March or April, 2016, residents received a notice from CWS of a mandatory ban on all outside water uses. While I cannot find the first Notice, Exhibit G, dated March 27, 2017, is a Notice continuing the ban against outside water uses, and stating that a new well is to be installed. (It is expected that Shandon residents will soon be receiving a 2018 reminder about the ban continuation. This ban on the use of outdoor water has been continuous for going on three years. An undated letter, received on June 22, 2017, from CWS/Utilities, Inc., offering a meeting with CWS representatives to Shandon residents to learn what is being done with respect to our water supply.

The Shandon residents were aware that a new well had been attempted on the approximately 5 acre site of the former lagoon, and now the wastewater package plant; however, it was a “dry” well with problems and an unsustainable water supply. At the May 30, 2017, meeting we were told that CWS was trying to acquire land in or near the Shandon area for another attempt at a well. A great deal of time was spent explaining that a 40-45 foot casing in an attempt to deepen well #2 was unsuccessful when steel had to drill through bedrock to avoid ground water, and the sleeve had to be removed while several disinfecting attempts were made, etc. It was determined by CWS that well #2 could not be rebuilt and the well was taken out of service. Further, that inquiries were being made about acquiring land in the area for a new well, etc. While this discussion was going on, various Shandon residents questioned the practice of the water supply tanker dumping good, but unused water onto Shandon Road – at a time when we were under the ban on outside watering and

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encouraged to conserve indoor water usage? Thousands of gallons of water were being dumped routinely because the tanker could not return to NC by way of the interstate (high speeds) unless the tanker was empty. The tanker was a 6,000 gallon capacity, but the Shandon storage tank could seldom take a full load of water (the storage tank can only be filled to about 7,000-7,500 gallon capacity due to the need for pressurization). The dumping of good water is extremely aggravating because it is such a waste of a valuable resource; and the residents are paying for the entire load, at a time when we are banned from using "outside water"! The Shandon residents made several suggestions to CWS: why did they not contact a local water supplier?; why was a smaller tanker not used instead of a 10,000 gallon one?; and why did CWS not bring in a second storage tank to take the excess water for Shandon use, rather than just dumping it? Mr. Willy Morgan of the Office of Regulatory Staff was present, and also queried CWS. Exhibit H is a picture of the Davis Water Service tanker taken prior to the 5/30/17 meeting and dumping its' load of water. The residents did notice that following the discussion, we did not see the tanker dumping water on Shandon Road, right under our noses. However, the tanker must be emptied before it can travel, so I imagine the water is being dumped somewhere else (?) Many of our questions to CWS went unanswered; and the only consistent response hear from CWS was "we'll have to look into that". Subsequently, CWS has made two more attempts at finding a good well/source of water under an agreement with Mr. Coggins, a local landowner adjacent to Shandon. However, I believe the first well had only a 12-gallon per minute flow, and the second well attempt in the same area did not perform any better (I believe DHEC requires a 22-gal.per minute flow be maintained for a community water system. It is thought that Shandon well #1 in only producing 4-gal. per minute of water.

The rate increases sought by CWS in Docket No. 2017-292-WS are outrageous to Shandon residents in light of this type of conduct by CWS. It would appear that CWS is merely trying to appease the residents (and DHEC), rather than take common sense approaches to mitigate this water shortage, while a more permanent, feasible solutions are examined. Shandon Subdivision is within CWS Territory 2 and their requested increases would result in the following:

	<u>Present</u>	<u>Proposed</u>
Water, base rate	\$24.72	\$29.20
Water, commodity/usage	\$ 8.88/1000 gallons	\$10.49/1000 gallons
Sewer Collection and Treatment, base rate	\$57.58	\$69.76

This would mean that where residents are now paying a base amount of \$82.30 each month for water and sewer services; and under the proposed increases would pay \$98.96 per month for water and sewer. These combined base rates are charged each month whether or not we use a drop of water.

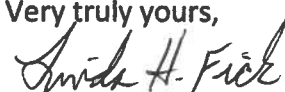
Under the conditions described above, in addition to having to pay the base rates for water and sewer each month, we now cannot use the outdoor water we are being charged for. We are paying for water we cannot use per CWS's ban; we are still paying for water which the company dumps on the ground; and we are watching our homes, our landscaping, our equipment and vehicles decline, die, and lose value from lack of maintenance without water. Our history with this Company has taught us we are not getting the "service" for which we are paying!

Following the various mergers of Utilities, Inc. providers, and the present expansion of CWS customers as a result, it is impossible for a resident of particular subdivision to obtain and check data, invoices, and descriptions of work allegedly being done within their subdivisions. After filing a FOIA request in Docket No. 2015-199-WS with the Office of Regulatory Staff, which was answered with the best and only source of information available to ORS, I received a 21,753 line entry spreadsheet. This information was not presented in any meaningful way by CWS, and I wonder at the patience of ORS in reviewing these items. I would think that the Company in making their rate increase requests, could provide information in a more meaningful way. At the same time CWS and its predecessors are often extremely vague when submitting invoices – there is really no detail that affords an actual consideration of work or expenses – the information is simply lacking.

To allow CWS to establish a Utility System Improvement Rate (USIR) to “ease” their obligations in a rate hearing is compounding the oversight problem. I know very little about USIR, but anything which allows CWS to by-pass or short cut the present hearing procedure is unthinkable. Such a plan would only benefit the Company while short-changing the customers’ opportunity to heard by the Commission.

The residents of Shandon Subdivision, under the present circumstances request that they be given a partial refund of the water and/or water sewer base rates they have paid while under the CWS ban to actually use their water. The present system and level of base rates for all CWS customers is so burdensome as to be unsustainable. Consumers need, and request, relief from these rising fees. Water and sewer service is a public utility; and like electricity and household natural gas, water and sewer services are essential. Therefore, management of these services should not be subject to the “for profit” mode which incorporates in every rate increase an 8% to 9% or higher rate of return to the Company and its investors. Water and sewer are essential to the homeowner, the businessman, and a growing community. To foster greater economic growth for all, a cooperative attitude of stewardship should prevail: set fees to cover costs, with a smidgen above for small growth. Utilities are not a “get rich” endeavor; they should be thought of as an opportunity for stewardship.

Very truly yours,



Linda H. Fick
3006 Shandon Road
Rock Hill, SC 29730

November 1, 2013

The Public Service Commission of South Carolina
Attn: Clerk's Office
Post Office Drawer 11649
Columbia, SC 29211

Re: Docket No. 2013-201-WS
Summary of Testimony and Exhibits H & I,
with Revised Exhibit B and p.1 of Exhibit D,
Correction to Exhibit C

Members of the Commission:

I am a resident homeowner at 3006 Shandon Road, Rock Hill, in York County, South Carolina, and both a water and sewer services customer of Utilities Services of South Carolina, Inc., in the Shandon Subdivision. Having previously requested an opportunity to testify at the merit hearing in Docket No. 2013-201-WS (an Application by USSC for water and sewer rate increases), scheduled for 10:00 A.M., Monday, November 4, 2013, I thought it would be helpful to provide a summary of my testimony and exhibits in advance. I am most definitely opposed to any increase in present water and sewer rates being granted to USSC.; and offer the following statements and exhibits (including those previously filed, presently filed or to be filed) in support of my objections.

In their application and materials to the Commission, as well as their cover letter to customers (Exhibit H, Schedule 7), USSC implies the proposed increase in the flat sewer rate is necessary to "upgrade" the four wastewater treatment plants to meet [new] regulatory requirements. In fact, the Surface Water Discharge Permits issued by DHEC have site specific discharge limitations established as early as 1995 (Shandon: ammonia; and phosphorous in 2001). And the "upgrades" are to bring the facilities back to regulatory standards. What USSC has failed to disclose is that specifically in regard to Shandon and Foxwood wastewater treatment plants (lagoons):

- (1) there have been repeated violations of NPDES/DHEC discharge limitations;
- (2) that USSC has paid to date a total of \$44,600.00 in assessed penalties for these violations;
- (3) pursuant to outstanding Consent Orders, additional penalties will be imposed on each of these two facilities if USSC fails to bring the systems into compliance by scheduled future dates; and
- (4) that the alleged "upgrades" to Shandon and Foxwood WWTPs are actually rehabilitation expenses to restore these facilities to minimum operational standards, after USSC's failure over years to properly monitor and maintain the lagoons' effluent discharge levels.

(Please see Exhibit H for documentation received from the South Carolina Department of Health and Environmental Control and the South Carolina Office of Regulatory Staff pursuant to my Freedom of Information Act requests, previously filed Exhibits F and G. The documents from the DHEC office, in particular, contain handwritten notes by DHEC as part of their information, and are presented here "as received". I have added only the Docket No. and Exhibit identifications unless specifically noted otherwise.)

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In the Commission's consideration of the reasonableness of USSC's wastewater expenses as submitted in their Application for a sewer rate increase, I respectfully request that the underlying nature or source of necessity for the expense be reviewed, as well as the dollar amount or its categorization. Whether from USSC's last Application (Docket No. 2007-286-WS, test year ending December 31, 2006) through the present Application (Docket No. 2013-201-WS, test year ending December 31, 2012), or known, anticipated future expenditures, costs arising from USSC's own misconduct, inattention to routine maintenance, neglect of regulatory standards and violations of the same, failed attempts and prospective actions to bring the Shandon and Foxwood wastewater treatment facilities back into regulatory compliance, should be disallowed. The fact that these facilities ever reached violation levels shows, per se, a failure of USSC to use reasonable effort to minimize costs which it now attempts to pass on to its customers. While I know the Office of Regulatory Staff has reviewed and disallowed some costs, and will make its recommendations to the Commission, I would like to offer a customer/consumer's point of view for possible further investigation.

As indicated by the maps, data, and pictures shown and listed in previously filed Exhibit C, there are only four subdivisions receiving sewer service from USSC in the State of South Carolina. All four neighborhoods are located in York County: Shandon, Foxwood, Carowood, and Country Oaks. Of these wastewater treatment facilities, Shandon and Foxwood have a gravity sewer line to containment lagoon to finishing pond to regulated discharge levels of effluents entering into their respective watersheds. It is hoped that the pictures may put the different systems into perspective.

It is clear that USSC knew or should have known since February, 2001, that, for instance, the phosphorous discharge limit in effect for the Shandon WWTP (lagoon) is 0.12 pounds per day/monthly average; and since March, 2003 that the Foxwood WWTP (lagoon) phosphorous limit is 1.0 pounds per day/monthly average. These limits are set forth in the respective Surface Water Discharge Permits, required for facility operation (see Exhibit H). Yet in the requested information period, January 1, 2007, through October 4, 2013, DHEC recorded twelve phosphorous violations for Shandon beginning January 31, 2009; and 53 phosphorous violations for Foxwood beginning January 31, 2008. It should be noted that DHEC and the Bureau of Water will "suspend" temporarily continuing violations under a stipulated Consent Order with the offending utility if, in this case, USSC proposes a plan for compliance within a specific time frame as part of the stipulated Consent Order, and submits a request for a construction permit to DHEC. DHEC's approval of the proposed construction permit simply allows USSC to make changes to the facility under permit, reviewing that the proposed construction will not violate existing regulations or standards. DHEC does not evaluate the efficacy of the planned construction nor does it evaluate the likelihood of success or failure of the proposed remedy. It is for USSC to bring their plan to correct the situation to DHEC. If USSC fails to bring the discharge limits into compliance by the time specified, then the Consent Order calls for the imposition of the balance of any suspended penalties, notation of continuing violations, and additional penalties for every day or month of violation (See Exhibit H).

[Please note that neither Carowood nor Country Oaks WWTPs were in violation of phosphorous discharge limits during this time. In fact, phosphorous is not a permitted limit at Carowood ; and phosphorous appears for the first time in Country Oaks' permit on January 1, 2008, as "monitor and record" (MR). Therefore , I will remove those two facilities from this discussion.]

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From 2002 to January 31, 2009 (Shandon) and from 2003 to January 31, 2008 (Foxwood), USSC should have been monitoring and been aware of rising levels of phosphorous effluent discharge. Repairing sewer lines and maintaining the lagoon (WWTP) at each location comprise the work for which Shandon and Foxwood customers pay USSC their monthly flat sewer fee of \$41.39. The phosphorous levels did NOT suddenly rise to violation status overnight. In Shandon's case, USSC had at least six years (from Discharge Permit modification date) and for Foxwood, five years, in which to monitor the lagoons and take action to prevent or alleviate the rising levels of phosphorous (and ammonia). USSC should have been aware of ammonia and phosphorous limits after paying its first penalty concerning Shandon, in 2003 (CO 03-211-W), in the amount of \$4,200.00. Also, one would think that the Foxwood violations in 2005, and later in 2008, would alert the company to monitor Shandon's conditions, as well. Shandon's containment pond is approximately one-tenth the size of Foxwood's containment area. Small variations carry grant significance in a small lagoon. If action had been taken earlier, the remedies would likely have been less expensive and more effective. Once the effluent discharges reached violation status, the costs were bound to be greater and less likely successful.

On May 7, 2009, with the issuance of construction permits, USSC was given an opportunity to remedy the respective violations, which plans failed, thus triggering the imposition of the balance of penalties for the 2009,2010,2011 Foxwood phosphorous violations, and 2010,2011 Shandon phosphorous and ammonia violations. As part of Consent Order 12-014-W, issued 4/6/2012, USSC was given yet another chance by way of a "pilot" program to bring the Shandon lagoon into DHEC compliance, but failed to meet the compliance report deadline (and which was ultimately determined to be unsuccessful), so incurred additional penalties. Likewise, USSC for Foxwood, under Consent Order 12-015-W, stipulated penalties had to be paid and a construction upgrade must again be made. Construction Permit 37732-WW was issued on July 25, 2013, as the latest attempt by USSC to bring Foxwood within permitted discharge limits; and Construction Permit 37829 was issued to USSC for Shandon on September 27, 2013, for the same purpose. [Included in Exhibit H, Schedule 9, are my review and organization of invoices concerning the four USSC wastewater facilities, culled from the costs found in the FOIA documents which can be attributed to USSC's mismanagement of the Shandon and Foxwood facilities.] Literally, the costs of these bandaids were equivalent to throwing money down the sewer. In addition, the Consent Orders required USSC to provide additional testing reports at the lagoons, and inspection analysis of the Shandon sewer lines. All of these associated expenses to correct the violations and pay penalties, etc., must be laid at the feet of USSC – not the Shandon, Foxwood, Carowood, or Country Oaks sewer customers.

One of the truly sad (and outrageous) consequences of USSC's failure to monitor the effluent discharge levels for Shandon's lagoon is the loss of that lagoon. USSC effectively destroyed an otherwise viable wastewater treatment system – gravity sewer lines to collection lagoon to hold for treatment to discharge at permissible levels to the designated watershed, etc. To continue sewer service for Shandon's 38 customers, a new and expensive wastewater treatment package plant must be installed; and the holding and finishing ponds will, for all intents and purposes, be abandoned. It's unthinkable that USSC is looking in this rate application (and most certainly their future rate increase requests) to pass the cost of their negligence on to Shandon customers. Perhaps USSC should look instead to their liability insurance carrier? The residents of

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Shandon and Foxwood do not want their wastewater polluting the watersheds; and they are aghast at what has been taking place, and feel deceived by USSC. But the customers also cannot afford the horrific costs that USSC's inattention and neglect have created. Through the end of 2012, this situation of attempting to bring both Foxwood and Shandon into acceptable compliance has totaled \$374,453.70 – which does not include the penalties, nor does it include the 2013 and future cost of totally replacing the Shandon WWTP!

A serious problem continues with respect to drinking water quality for the Shandon subdivision water customers of USSC. Water Quality Test Results, under the Safe Drinking Water Act, are now showing actionable levels of copper, and continuing to show lead violations. There is also a sharp rise in the by-products of drinking water chlorination which is puzzling. Taken together, these issues pertaining to water quality are of great concern to Shandon residents, especially those individuals with medical conditions, or families with young children. A large number of the 71 USSC water customers in Shandon have invested in alternative drinking water and/or expensive water filtration systems rather than risk drinking water through our well pump system.

Revised Exhibit B, Schedule 1, consists of four graphs to visually put into perspective the annual Water Quality Test Results from SCDHEC as reported by USSC. In 2006, when both lead and copper were next tested after the 2003 values, both levels were sharply increased. Detected levels of lead exceeding the action level of 15 ppb continue to occur; and the trend towards improvement between 2010 and 2011, appears to have lost ground in 2012. There have been actionable levels of copper in the Shandon drinking water since the last water rate increase was considered. Although, the yearly test results for chlorine have averaged to be about the same, there is a very distinct increase in the by-products of Shandon's chlorinated drinking water: haloacetic acids (HAA5) and trihalomethanes (TTHM). Chlorine is a corrosive element. Shandon residents have long been aware of the odor and various effects of highly chlorinated water – this many people cannot be imagining the problem. It should also be noted that once chlorine comes into contact with air, it degrades rather quickly; but remains potent as long as it is kept from oxygen (such as in pressurized lines). I wish to express my concern over the anomaly, before these levels reach actionable amounts, in hopes that this problem can be explained. The following questions come to mind: (1) Could there be errors in the sample collections gathered for testing? (2) Could excessive chlorine be linked to the high copper (and lead detects), as well as the by-product results? and (3) Could over chlorination be a problem for an otherwise healthy lagoon (WWTP)?

The South Carolina Department of Health and Environmental Control implements an annual Water Quality Testing program, under the Safe Drinking Water Act, of each public and private water system in the state, by service area (usually, by subdivisions or municipalities served). Each public water system in the state pays an annual Safe Drinking Water Act Fee for these tests. Private for-profit utilities are allowed to add the fee as a line item to their water customers' water bills, in lieu of having to get a rate increase through the Public Service Commission when water rates are adjusted. These fees (shown on customers' monthly billings as "DHEC Fee") are paid by the USSC customers, collected by USSC, and are then to be remitted to DHEC. All water systems are monitored (tested) for regulated contaminants according to schedules established by the

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USEPA. With the exception of bacteria, which is monitored monthly by the public water system (including private for-profit utilities), actual testing is conducted by DHEC personnel under the Safe Drinking Water Act Fee system. Water samples are collected by USSC employees from designated residents within the subdivision, and are then delivered to SCDHEC for actual testing. Testing frequency varies for each group of contaminants depending on the type of contaminant and whether it has been previously detected in the water system.

The reports of the "Water Quality Test Results" are, however, displayed or written by USSC for a specific subdivision and then distributed to the subdivision's water customers. Revised Exhibit B, Schedule 2, shows the Water Quality Test Results for Shandon Subdivision for the Test Years 2004 through 2012, inclusive, except for the year 2007, for which I could not find a copy. The annual WQTR reports are usually available in July-August for the preceding calendar year. The explanatory notes, arrangement and/or inclusion of data are by USSC. The two columns "Level Detected" and "Range of Detects or # of Samples Exceeding MCL/AL" should be read together, along with the "Please Note" comments. For instance, in the 2008 Shandon WQTR report, no data is entered for the test of lead; in 2009, no data is provided about the lead level for the other 4 out of 5 samples not in violation; in the first one-half of 2010, no data is given as to the sample level of lead in violation, but the apparent average of the remaining 4 samples (Jan-June) was 10, while no numbered data is given for the period July-December, 2010 (only: "no samples collected in the last six months exceeded the Action Level"). Again, as to copper levels for 2012, the level for the sample in violation is not given, and apparently the "1.10" detection level is an average of the other non-violating samples (number of samples not given). Written notices to customers of tested results in excess of the action levels are sometimes sent in advance of the delayed annual, full WQTR reports – and sometimes, not (see Revised Exhibit B, Schedule 3). Notices to "Boil Water" to customers can arise from a violation condition or may be only precautionary; and are now sent out via telephone (see Revised Exhibit B, Schedule 3, p.3).

Upon a review of various water service invoices relating to Shandon, Carowoods, and Wintercrest subdivisions (indicated by USSC as having required pressurized water holding tank replacement), I found that several costs were either without coding information for identification purposes; did not belong to those subdivisions; were receipts for Shandon for which no one has seen the alleged work; or were so totally without description as to be impossible to figure out their validity. Yet in regard to the Shandon holding tank, I did not find an invoice for a "tank" that matched the date of actual replacement and size for the work done in Shandon. Exhibit I contains the data and some of the invoices giving rise to my questions. Although I know the Office of Regulatory Staff have reviewed certain categories of expenses, it perhaps helps to have residents living in the subdivision also review the job order descriptions. When reviewing these water invoices, two questions occurred to me: (1) does USSC ever attempt to salvage equipment that is no longer being used – even as scrap metal? and, (2) how is it possible that USSC can "deed" Foxwood's wells to a third party? I would think the wells actually belong to the homeowners of Foxwood, and who is to say that someday those wells might be needed? If deeded, the residents have lost a valuable portion of their property rights. Go ahead and buy water in bulk from York County, etc., but the wells can be capped and left in place for the future, if needed. Also, I find it very odd that USSC speaks of replacing pump houses. These structures securing the wells are kept fenced and under lock by USSC. The only people having access are USSC employees. Often there is a fence around the structure, surrounding the well. In Shandon's case, the pump house at Well #1 was "crunched" accidentally when the new holding tank was being placed. Accidents happen; but to imply that customers alone are responsible for replacement is a little much.

Matters of service to USSC customers, particularly in the area of billing, remain a problem. This may be due in part to distance in the line of communication. South Carolina customers phoning USSC are connected with the Customer Service Department, located in Altamonte Springs, Florida (customer payments are sent to Lewiston, Maine). My personal experience with USSC on a major billing problem occurred in November/December, 2010, necessitating several conversations with intermediate service representatives before reaching a supervisor, and ultimately filing a Complaint with the South Carolina Office of Regulatory Staff, Consumer Services Division, dated November 29, 2010. (See LHF Exhibit A.) The problem was not one of an extended meter reading/period of consumption billing; but, rather a unilateral "proration" by USSC of the BASE water charge and FLAT sewer fee and DHEC fee for that billing period. Any increase in base water charges or flat fees must first be determined and set only by the Public Service Commission. Mr. Chad Campbell, of the ORS, was able to resolve this problem for all affected USSC customers in this and future situations. It is my understanding that 786 USSC customers were affected in this area of South Carolina, and USSC did issue billing credits to water and sewer customers to remedy this billing error.

There are several ways by which USSC could save money and raise their revenues other than increasing the water and sewer rates to customers. For one, stop violating regulatory standards; the money spent on penalties and bringing WWTPs into compliance would be better spent in doing the work the customers are paying them to do. Secondly, cut back on the annoying "advertising" expense (see Exhibit E). One "waterline insurance" notice is enough. These started arriving in 2008/2009, and I routinely threw them away. But when they started arriving 4 to 5 times a year, I started saving them. I have 5 such advertisements from 2012; and 4 so far in 2013. A small thing, but every penny counts. Also, USSC has an alarming rise in its "general office" expenses in transportation and utilities. I do not understand the concept of contributing to Utilities, Inc. employees' salaries, pension and retirement funds when there is a definite "poor customer service" problem. Also, I understand that USSC has a right to seek rate increases, and to even appeal the Commission's decision. However, an increase of \$137,000.00 passed on to the USSC customers, even if "spread" over years, is outrageous. There is something fundamentally unfair about having to pay the appellate fees, especially, for a company that not only wants to raise the customers' rates, but expects the consumer to go on paying its attorneys' fees after the Commission has denied their request. In this economy, whether you believe businesses and the marketplace are making a recovery, I can assure you that the average working, unemployed or retired homeowner in the Shandon neighborhood is still feeling every pinch of this recession. As individuals have learned to budget and cut back on their expenses, it would be nice to see USSC do the same.

A last and very important issue to be considered is the extra burden rate increases for both USSC water and sewer services place on the 354 households in York County who receive both services. Considering that there are only four subdivisions in this situation, it would seem that categorizing these USSC customers for special review would be helpful. As stated at Revised page 1, Exhibit D, USSC's proposed water base and flat sewer rate increases, alone, would leave a water/sewer customer paying \$89.55 every month – without ever using a drop of water. At this time, we are "paying" for 10,720 gallons of water each and every month even if we don't use a drop. It would seem that a more equitable structure for all USSC water customers (and sewer) could be based on usage – giving the consumer a better sense of control over their own expenditures? A modest, basic facility charge appears to work for other public utilities; with consumption/usage being the greater determining factor in the final bill. For wastewater customers, it simply does not make sense to be charged more to return less water to the system.

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Perhaps the most troubling aspect in all these issues is that Utilities Services of South Carolina, Inc. seems to have lost sight of the fact that the utility doesn't really "own" these systems. The residents of the subdivisions purchased the water and sewer systems when their homes were purchased. The developer could not have sold the homes or obtained a certificate of occupancy without water and sewer being included. USSC is supposed to be a service provider, for which we, the consumers/customers, pay a fee for the utility's management (not ownership and definitely not mismanagement). You do not "reward" someone for doing a poor job, or destroying your property, by giving them a raise. I sincerely appreciate the opportunity to express my concerns to the Public Service Commission, and respectfully request that USSC not be granted a rate increase, and that relief in the form of reduced rates and rate re-structuring be considered.

Very truly yours,



Linda H. Fick
3006 Shandon Road
Rock Hill, SC 29730

Cc: w/enclosures to:
ORS, and both Attorneys for USSC

November 16, 2015

The Public Service Commission of South Carolina
Attn: Clerk's Office
Post Office Drawer 11649
Columbia, SC 29211

Re: Docket No. 2015-199-WS
Summary of Testimony with Exhibits

(Please note that reference to materials filed by the undersigned with the Commission in Docket No. 2013-201-WS, were designated as Merit Hearing Exhibit 10, on November 4, 2013. However when noted in this Summary, the exhibit documents have been reproduced and relabeled as attached exhibits in this matter, Docket No. 2015-199-WS.)

Members of the Commission:

I am a resident homeowner at 3006 Shandon Road, Rock Hill, in York County, South Carolina. I am presently both a water and sewer customer of Carolina Water Service, Inc. (formerly, Utilities Services of South Carolina, Inc.), in the Shandon Subdivision. I most definitely oppose any increase in the present water and sewer rates being granted to CSW, and do, in fact, request that the Commission grant instead a reduction in water and sewer rates to CSW customers.

By its failure to properly monitor, maintain, and correct the Shandon Subdivision wastewater treatment (WWT) lagoon, over a period of 13 years, USSC (now known as Carolina Water Services) incurred by its own actions and inaction the very expense it now includes under "capital expenditures", as a basis for its proposed sewer rate increase to/from customers. As set forth in more detail in my November 1, 2013, letter to The Public Service Commission, concerning application for rate increase, Docket No. 2013-201-WS, attached here as Exhibit A, 2015-199-WS, USSC was on notice that both the Shandon and Foxwood wastewater treatment plants (lagoons) were in repeated violation of NPDES/DHEC discharge limitations; that monetary penalties were assessed against USSC through Consent Orders issued by DHEC, with directives to bring the systems into compliance by dates certain, and included DHEC required inspection, testing, and reporting of the condition the entire Shandon wastewater treatment system, including plant, sewer lines and manholes due to the violation status of the WWT lagoon. See Exhibits B-1,2,3,4, 5; and C-1,2.

The most common industry practice for reducing phosphorous levels is increased oxidation of the lagoon through aeration. But that solution must be administered in a robust and timely fashion depending upon the size and condition of the WWT lagoon. USSC could have corrected the Shandon phosphorous levels by adding 2-3 or even 4 mechanical aerators, but USSC failed to do so. By the time USSC took action, Shandon lagoon was well into "violation status". At this time USSC tried to correct the situation through engineering reports, baffle construction, containment barriers, fabric covers, and even a new aerator. USSC expended a large sum of money as alleged "upgrades" to Shandon WWTP when, in fact, these sums were actually rehabilitation expenses to restore Shandon to minimum DHEC operational standards. These unsuccessful attempts and expenditures were wasted as "too little, too late". See Exhibits D-1,2,3, showing photographs of the abandoned constructions and pieces of equipment in the old lagoon.

Out of necessity to provide continued wastewater treatment service to Shandon Subdivision, USSC was permitted, through DHEC Consent Order No. 12-2014-W, issued September 27, 2013 (see Exhibit E), to substitute an above-ground treatment plant for the non-compliant lagoon system (ordered to be closed), the new WWTP to be in operation by not later than September 27, 2016. Even as late as September 24, 2015, under DHEC Consent Order No. 15-043-W, Carolina Water Service was fined in the amount of \$1,800.00, for failure to install the new system without the proper permit first being obtained. However, on June 30, 2014, DHEC did issue its final approval for CSW to operate the Shandon upgraded WWTF under proper permit. See Exhibit F; also Exhibit G, a picture of the above-ground WWTP.

The proper monitoring, maintenance, and timely repairs of and to the Shandon sewer system were the responsibility and job of the Company (CWS/USSC). The Company owed a duty to the resident customers to follow industry standards and procedures, and maintain compliance with DHEC regulatory standards and permits. To provide any continued wastewater treatment service to the Shandon residents, CWS was required to install the above-ground wastewater treatment plant at great cost (see discussion below). Yet CWS is including the expenditure caused by their negligence as a capital expense as part of its basis for a sewer rate increase, affecting all of its customers. Such misconduct should not be rewarded with an increased rate.

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With the merger of the four companies into one, the problem of accountability has been significantly compounded. Carolina Water Service has stated through the testimony of Bob Gilroy, filed September 22, 2015, in #2015-199-WS, that after the merger of the four Utilities, Inc., subsidiaries into the one company, Carolina Water Service, Inc., there are now approximately 14,900 water customers and 15,200 sewer customers; and operating 105 water systems and 29 sewer systems, in 16 counties in South Carolina. It should be noted that "number" of water or sewer customers in this statement are not differentiated as to "type" (residential, multi-family, commercial, industrial, church, school, etc.). Nor does the statement of numbers and "systems" distinguish between water supply or water distribution only; sewer collection and treatment only or sewer collection only; and does not indicate the number or type of customers who are both water supply or distribution AND sewer treatment/collection or sewer collection. Only by reviewing several exhibits filed with testimony given to date in this case, have I been able to match individual subdivisions to the county in which they are located and their former assignment to one of the four prior subsidiaries. For purposes of discussing "base rates" and the effect this proposed rate increase would have on residential customers receiving both water and sewer services (W/S), it would be helpful for the Commission to have the number of residential W/S customers within each subdivision (see discussion section below). After filing a FOIA request with the Office of Regulatory Staff, which was answered promptly with the best/only source of information available to ORS: a 21759 line entry, spreadsheet, customer list from Carolina Water Service, Inc. (after being redacted by ORS of any personal customer identification names, addresses, account numbers, etc.), I found the task of gleaning information and counting entries far too time consuming. My point is: the number of residential customers receiving both water and sewer services, by subdivision, is data which CWS should have already provided to ORS with its application for the rate increases now before the Commission. How else can the Commission evaluate the effect of "double" rate increases on the water/sewer segment of customers? I am awaiting confirmation from DHEC under a FOIA request, but it appears that there are twenty (20) subdivisions with customers of both water and sewer service; nine (9) subdivisions with sewer collection, only; and the number of residential customers within each subdivision receiving the categorized service(s) is still unknown. The only information I can confirm at this time is presented in the base rate discussion below, as Exhibit H, a prior exhibit in #2013-201-WS, with respect to USSC in York County, only.

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The tasks of oversight and review of the new Company as to work performed, necessity for the same, location and subdivision code number, invoicing from the various subcontractors, distinguishing between “maintenance/repair/replacement” expenses versus “capital expenditures”, etc., have, I’m sure, become a challenge for the Office of Regulatory Staff – and practically impossible for a homeowner. (The situation was extreme enough when dealing with any one of four smaller companies.) The ORS, when an application for rate increase is received for any one public utility, can only examine the line item spreadsheets and paperwork submitted by the Company, and review a sampling of invoices. While carrying such a workload I think it would be helpful to ORS if a company as large as Carolina Water Service is now, would better organize and more fully substantiate its data. I also think it would be helpful to customer/property owners in their own review of the Company’s alleged expenditures. As noted above with respect to the Shandon WWT lagoon/above-ground WWTP discussion, a customer/property owner often sees the question of applications for rate increases from a different perspective and can provide additional information to the Commission. Attached as Exhibit I, pp 1-3, is an abbreviated portion (columns A-L) of the Company’s total spreadsheet showing the Shandon expenses for replacement of the WWT lagoon with an above-ground wastewater treatment plant. Also attached is Exhibit J, the sampling of invoices submitted to ORS by the Company in support of their spreadsheet data. Most of these invoices contain very little detail as to the equipment or work performed. Without knowledge of the lack of monitoring by USSC of the Shandon WWT lagoon and USSC’s failure to properly maintain the system for the benefit of the customer/homeowners; the repeated violations of NPDES/DHEC discharge limitations, with levied fines and Consent Order directives and requirements; and futile expenditures by USSC to bring the lagoon back into compliance, one cannot fully understand the required replacement of the wastewater treatment system in the Shandon Subdivision, at a cost of \$379,130.14. The Shandon water/sewer customers were never made aware of this ongoing situation, nor was the Commission notified of the violations and state of non-compliance, until the previous rate increase application, Docket No. 2013-201-WS. Yet this expenditure of \$379,130.14 is used as a basis, in part, for the Company’s present rate increase application, No. 2015-199-WS. This expense rests solely at the Company’s feet and should not in any way be included as a “capital expenditure” for rate increase purposes intended to affect all water/sewer customers. It is through the Company’s own negligence (USSC at the time) and failure to provide proper maintenance of existing Shandon WWTP assets that the above-ground WWTP had to be substituted. The Company failed to perform the work for which they were being paid to service a public utility. The Company’s attempt to pass this Shandon expense back to its water/sewer customers is inexcusable. I believe this is a case of “if you break it, you buy it.”

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The Shandon wastewater treatment situation is one example of poor performance or bad stewardship, if you will, by the Company. With its ever expanding service area and addition of more water/sewer customers it is quite probable that there are other instances of violations of DHEC requirements, improper maintenance and monitoring by the Company in other subdivisions. (I have made a FOIA request for information concerning this question, and will provide it in the form of an exhibit to this letter as soon as possible.) By information gathered in No. 2013-201-WS, and shown here as Exhibit H, it is known that at the time of the prior rate increase request USSC showed Shandon Subdivision to have 38 residential water and sewer customers; Foxwood with 236 (plus 1 commercial sewer customer); Country Oaks 46; and Carowood with 54 water/sewer customers. At that time, all USSC water/sewer customers were within York County, for a total of 374. (Since that time, Foxwood now has a water distribution system in place, but still provides sewer service to its residents.) Absent any breakdown information as to number of present (post-merger) residential water/sewer customers by subdivision, I also attach as Exhibit K, the Company's raw breakdown of overall water customers and sewer customers. The sheer size and complexity of this new Company (Carolina Water Services, Inc.) makes the necessity for oversight more important, while also being more difficult. Shandon residential water/sewer customers (38) are now only .003% of the new Carolina Water Service total sewer customers; all former USSC York county sewer customers (370, all residential except one) are only .024% of CWS present total sewer customers.

With the size and complexity of the CWS water and sewer systems, it is impossible for property owner/customers in one individual subdivision to know what is being done by CWS (or not being done) to service systems within their own county – let alone subdivisions across the State of South Carolina. Yet this concept of neighborhood watch or awareness is important. Customers have a right (and I would say, a duty) to know how their public utility fees for water and/or sewer services are being managed (or mismanaged) by the Company. In the Shandon WWTP example, with the negligence of CWS (USSC) as the cause for the “capital expenditure” being required by DHEC, is the basis for our request that \$379,130.14, therefore, be removed from the rate increase consideration. Without consideration of this Shandon issue, you would have sewer expense by .003% of the sewer customer population driving a substantial increase in rates for the remaining .9997% of the customers. By the same token, customers within Shandon do not want to take on unknown problems of the 13,763 former CWS sewer customers (number by type of sewer customer unknown). A “one-size fits all” rate increase” does not work – especially when there is so much diversity in subdivision location, topography, age, history, service systems, and customer/community needs. A more individualized subdivision/area consideration should be conducted. It's funny: whenever a water/sewer

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service provider expands its service territory, the customers are told the company is spreading the cost across a wider base. . .but the customers never see a resulting decrease in service rates, just ever growing increases. As predicted, this most recent rate increase application (No. 2015-199-WS), was filed May 28, 2015, even while the No. 2014-399-WS merger is still pending, under a Proposed Order entered May 6, 2015.

The Company states in its cover letter to “Customers of Carolina Water Service, Inc.”, undated but enclosed with our Notice of Application for Rate Increases (Docket No. 2015-199-WS), received in the mail on August 3, 2015: “In the past two years we have spent in excess of \$13 million on projects including, but not limited to: . . .” (Exhibit L). (I strongly take issue with the dollar figure and the “projects” described.) But what is frightening is the “warning” that yet another rate increase will be coming soon: “. . . we wanted to make you aware that we have similar projects in our plans over the next three years in . . .” [goes on to list specific subdivisions and “other areas”]. See, also, Exhibit M, a similar letter received two years earlier (August 1, 2013) from USSC with the Notice of Application for Rate Increases (Docket No. 2013-201-WS), stating that for the period after January 1, 2007, to present Application (6 ½ years) after listing some project examples: “In total, Utilities Services of South Carolina, Inc. (USSC) has spent approximately \$5,300,000.00 in investments....” (Note that in the 8/1/2013 letter Shandon and Foxwood are listed under “capital projects” to upgrade wastewater treatment plants to “meet regulatory requirements.” In fact, these are the expenditures I have noted above as being “reclamation expenses” to remedy the Shandon and Foxwood WWTPs’ violation status of DHEC effluent required limits which have been in effect since 2001 and 2003, respectively.) If USSC spent \$5.3 million over a 6 ½-year period for capital projects, followed by merged CWS spending \$13 million over the most recent 2-year period, one shudders to think what the next CWS rate increase will be – although we do know to expect it within the next two years!

The sewer line inflow and infiltration (“I&I”) reduction and the correction by relining clay piping by using a cured in place piping (CIPP) method do not qualify as “capital projects”. These items are simply different methods for finding and “completing point repairs” for cracked sewer lines. (See Exhibit L, the cover letter of CWS received 8/3/2015.) It is just the same as the Company suspecting a weak point in the sewer line, or a customer reporting a break; then going out and replacing the broken clay pipe with PVC piping. This is a matter of maintenance and repair/replacement – something CWS should do routinely throughout the subdivisions with sewer customers. Doing this work all at once within a particular subdivision (instead of spreading the inspection and maintenance out over time), by a different method, does not

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re-characterize the job as a capital project. Whether water or sewer, lines or basic plant systems, the Company's job is to monitor and inspect, maintain, and repair or replace the simple elements of the water and/or sewer systems of its customers. This was the source of the problem with the Shandon WWT lagoon – a failure by the Company to routinely and consistently monitor and maintain the most elemental aspects of the plant: ammonia and phosphorous effluent levels. What should have been a straightforward maintenance and repair task, was instead neglected until it became a violation problem. There often seems to be a pattern of delay by the Company in attending to routine aspects of water and sewer service. It's as if the Company waits to respond to a break in service, or forced action by DHEC in the face of violations, before taking action. This often makes for greater expense to resolve the situation, which is then passed on to the customer as "extraordinary". This is why a careful review of all the Company's expenses must be made together with an examination of the nature and actual necessity for the expense.

The recent CWS merger is a good reason to examine the rate structuring of water and sewer services in general, as well as specifically set forth in the No. 2015-199-WS application. It is time for customers to receive a rate reduction. The current rates are already too high; and the CWS proposed application and proposed stipulation rates only exacerbate the situation for customers. "Double service" customers (those who receive both water and sewer services, "W/S") are especially confounded because the bulk of their bill is comprised of monthly "base" charges. Whether they use a drop of water or not, a Shandon Subdivision W/S customer pays a total of \$73.30 each and every month. At the present usage rate of \$7.02 per 1,000 gallons, a residential property owner "buys" 10,442 gallons of water a month before he even turns a tap. The water and sewer rates are based out of proportion to a family's actual water usage. This does nothing to encourage the cause of water conservation. Exhibit N-1, 2, shows increasing rates from April, 2005, to the present, including bar graphs showing that customer's monthly cost versus consumption of water. Note that while consumption may vary from month to month, the cost remains practically the same. Base rate increases are what constantly drive up the "cost" of this resource for the consumer.

Water is a basic, required commodity; and CWS is holding its customers hostage through its monopoly on servicing this necessary utility. Unlike other utilities that place greater emphasis on commodity consumption (electricity and gas), the CWS water and/or sewer customer has no real control through usage over his monthly bill when the base rates are set

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so high. You can at least turn down your heat, or use less electricity and actually have some control over your monthly bill. Unlike telephone, television, internet, or transportation services, CWS is the sole service provider and the consumer cannot turn to the marketplace for a different or more economical service provider. Even when absent from his home, the water and/or sewer customer cannot simply flip a switch and turn off the expense. The emphasis should be on the maintenance and delivery of a basic resource. The property/homeowner has already paid his share for the installation of water and/or sewer plant and delivery lines when he bought his home. Contractors and developers could not sell a home without a certificate of occupancy, and that requires basic utilities be in place – water, sewer, electricity and/or natural gas. The system(s) belong to the homeowners, and the utility company is to provide/maintain the delivery system.

There is no reason why a “base” rate should not be reduced to a reasonable level – to represent a contributing level of “membership” by the consumer in his community water and/or sewer service. However, the greater share of the water/sewer bill should be based on a metered, usage basis – for both water and sewer. Residential use of water takes the form of drinking, cooking, dishwashing and household cleaning, showers and/or baths, outdoor landscaping/cleaning, and toilet wastewater. Wastewater containing solids for treatment is a small portion of the total water usage in a household. (Drain water requires little treatment as compared to toilet wastewater.) Only the water meter would be required to meter the wastewater: simply take a fraction of the metered potable water reading as the sewer usage/commodity charge. For example: reduce/set the base water service rate at \$10.00 and the base sewer rate at \$15.00 per month. Then, at a commodity rate of \$5.00/1000 gallons of metered water a consumer/household using 4,000 gallons during a monthly billing period would also pay a water usage fee of \$20.00 and a sewer usage fee of \$5.00 – for a total cost of \$50.00 for that month. The water/sewer customer then has some control over his monthly bill – the less water used, then his bill will be significantly lower. This would be especially equitable for single or two-person homes; for those who work or are in school and away from home for large portions of the day; and those who travel, etc. Likewise, if for medical or for personal preference purposes you buy bottled water or use well water to substitute for Shandon tap water, you can control your CWS bill. If you use your water, then you pay for what your family uses. But if you don’t turn on a tap, your base fees are modest and a convenience to having a water supply readily available to your home. As stated above, the Shandon water/sewer customer is presently being charged each month for the equivalent of 10,442 gallons of water, before he even turns on the tap!

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As discussed above, due to the enlarged service area of CWS and the differing situations of various water and/or sewer customers of different subdivisions, across the state; and the need for consumer oversight of the quality of product and service being managed by CWS, it is important that the customers have some individual control over their service billing. Hopefully, with a rate reduction CWS will be more cautious concerning its own expenses and overhead. It is far more equitable for the customers when base rates for water and sewer are minimized, and consumption becomes the basis for billing.

Although I have not spoken about the Shandon water quality and service, they still remain problematic. (I have requested more information from DHEC concerning the Shandon Water Quality Reports for 2013 and 2014.) Exhibit O-1 is a DHEC required letter of notice/information from USSC received on January 24, 2014, after Shandon drinking water tested positive for fecal coliform. The Company did make recorded telephone notice to Shandon customers to boil water – although a day passed between the sample being drawn and the test results – and was lifted 4 days later. From time to time the Company will issue precautionary “boil water notices” for 2-3 days when work is being done on the wells or lines. However, most recently (see Exhibit O-2) a “boil water notice” was left on Shandon doors on in the AM, November 6, 2015, and was not lifted for a week – but the water still remains cloudy with suspended particulates.

For the most part the four companies now known as Carolina Water Service took over the servicing of water and sewer systems from earlier companies. These water and/or sewer systems were constructed and brought into service initially for residential communities by the developers and contractors for the subdivision itself. The homes could not have been issued certificates of occupancy, and then sold, without proper, functioning water and sewer systems in place. The initial expenses of those systems were part of the purchase price homeowners paid in obtaining their property. To sustain the public commodity (water) and its regulated disposal (wastewater), property owners pay a monthly service fee to maintain the supply/disposal cycle. The consumers are the true “owners” of their water and sewer systems.

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For the servicing of this community's resource to be considered a full-fledged "for-profit" business venture seems to me to be at odds with the concept of community public utility. To over-indulge Carolina Water Service's desire to make a profit for Utilities, Inc. shareholders, at the expense of the community consumers/property owners is counter-intuitive. The homeowners are the actual shareholders in reverse: they cooperate to maintain their water and sewer systems while keeping the shared expenses down; their "dividends" or return on their home investment is seen in lower service bills.

Rates of return on equity in the range of 9.76% - 11.96%, or that of 9.34%, based on a proxy group of companies across the country, are not necessarily appropriate for Carolina Water Services. In determining what would be a fair rate of return, I would respectfully suggest that CWS be evaluated based on comparable water and sewer providers within this state, at this time of recent merger, and under the economic conditions of South Carolina. There are not many (if any) investments or "business" enterprises offering such a guaranteed high rate of return within South Carolina. As a result of the very recent merger, CWS is lacking a true track record as a well-managed public utility-service company. There are problems, noted above, concerning adherence to proper standards and methods within the water/wastewater industry. I do not believe the parent company, Utilities, Inc., can be substituted for Carolina Water Services in a clear evaluation of the requested rate increases. To decline such a request at this time, to provide for a more thorough assessment of the facts in this case, would seem prudent.

Another rate increase for water and sewer customers so soon after the increase approved under No. 2013-201-WS would adversely affect the economy of various subdivision areas across South Carolina. As residential water and sewer rates are routinely increased, homeowners will be driven out of those CWS customer service areas. Likewise, increases in commercial rates will push businesses to other locations. The overall economic impact of rising utility costs can easily become widespread in smaller communities and neighborhoods.

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I appreciate this opportunity to address the Commission on these important factors concerning the increased rate application filed by Carolina Water Service, Inc.; and respectfully request that the Public Service Commission of South Carolina DENY the increase request. Further, I feel it would be appropriate in these proceedings to REDUCE the current water and sewer charges by Carolina Water Service, Inc. to its customers; and craft a more equitable monthly fee based upon a customer's metered usage of both water and sewer, rather than relying upon high "base" charges. Thank you for your consideration.

Very truly yours,

A handwritten signature in cursive script that reads "Linda H. Fick". The signature is written in dark ink and is positioned above the printed name.

Linda H. Fick

Attached Exhibits

No. 2017-292-WC

BLUE RIBBON WATER CORP.
2026 CELANESE ROAD or PO BOX 3150
ROCK HILL, SC 29731
803-329-5061

Exhibit C, p.1

June 19, 1997

DEAR SHANDON RESIDENTS:

WE ARE PERFORMING MAINTENANCE SERVICE ON THE THREE WELLS IN SHANDON. THIS ENTAILS TAKING THESE WELLS OUT OF SERVICE ONE AT A TIME FOR TWO DAYS EACH. THE PURPOSE OF THIS WORK IS TO IMPROVE THE FLOW FROM EACH WELL.

WHILE THIS IS GOING ON WE MUST ASK YOU NOT TO USE ANY WATER FOR OUTSIDE PURPOSES AT ALL. WE MAY EXPERIENCE A PRESSURE DROP WHILE ONLY OPERATING TWO WELLS, SO PLEASE BE VERY CONSERVATIVE WITH YOUR WATER USE FOR THE NEXT FEW DAYS. YOU WILL BE NOTIFIED IN WRITING WHEN TO RESUME NORMAL USE.

THANK YOU FOR YOUR COOPERATION IN THIS MATTER. IF YOU HAVE QUESTIONS, PLEASE CALL.

BLUE RIBBON WATER CORP.
2026 CELANESE ROAD or PO BOX 3150
ROCK HILL, SC 29731
803-329-5061

July 11, 1997

DEAR SHANDON RESIDENTS:

WE HAVE COMPLETED THE WORK ON THE WELLS. WE ARE HAPPY TO REPORT SOME SUCCESS IN INCREASING THE CAPACITY OF TWO OF THE WELLS. WE HAD TECHNICAL PROBLEMS WITH WELL # 3 AND WILL HAVE TO FINISH IT A LATER DATE.

THANK YOU FOR YOUR COOPERATION DURING THIS PROCESS. YOU MAY NOW GO BACK TO NORMAL USE. AS ALWAYS I CAUTION YOU TO BE AS CONSERVATIVE AS POSSIBLE ON EXTREMELY HOT DAYS, ESPECIALLY IN THE EVENING HOURS WHICH IS THE PEAK WATER CONSUMPTION TIME.

THANKS AGAIN,

BRW



July 13, 1998

Dear Customers of Shandon Subdivision:

The region has experienced a lack of appreciable amounts of rainfall and above normal temperatures during the last several weeks. Many water systems have requested that their water users conserve or restrict their water usage. The South Carolina Department of Natural Resources has issued an "Incipient Drought" notice. These drought conditions are causing some customers to experience low pressures and air in the water due to high demands.

Pursuant to Rule R.103-722 of the South Carolina Public Service Commission's Regulations, customers are asked to refrain from all non-essential use of outside water such as washing cars, filling pools, watering lawns, gardens and shrubs during the following periods: 5:00 AM through 11:00 AM and 5:00 PM through 11:00 PM. Except during these hours, customers having even number addresses may use water for outside purposes on even days of the month and odd number addresses on odd days of the month.

Once conditions improve, you will be notified when these restrictions will be removed.

Thank you for your cooperation.

U. S. UTILITIES, INC.

IMPORTANT INFORMATION ABOUT YOUR DRINKING WATER

Monitoring Requirements were Not Met for:

NAME OF SYSTEM: **UPSTATE HEATER-SHANDON S/D (4650009)**

SOURCES/LOCATIONS

G46192 WELL 1**G46193 WELL 2****G46194 WELL 3**

Our water system violated several drinking water standards over the past year. Even though these were not emergencies, as our customers, you have a right to know what happened and what we did to correct these situations.

We are required to monitor your drinking water for specific contaminants on a regular basis. Results of regular monitoring are indicators of whether or not our drinking water meets health standards. During **January 1, 1999 and December 31, 2001**. We did not monitor for the contaminants listed below and therefore we cannot be sure of the quality of our drinking water during that time.

We are required to pay an annual fees to the **Department of Health and Environmental Control** to perform this monitoring, but have failed to keep up with the payments required. Because of this reason we were not monitored for the contaminants indicated below.

Nitrate is the single contaminant that was required to be monitored during the **January 1 - December 31, 2001** timeframe. The remainder of the monitoring was to be performed between **January 1, 1999 and December 31, 2001**.

Please share this information with all the other people who drink this water, especially those who may not receive this notice directly. You can do this by posting this notice in a public place or distributing copies by hand or mail.

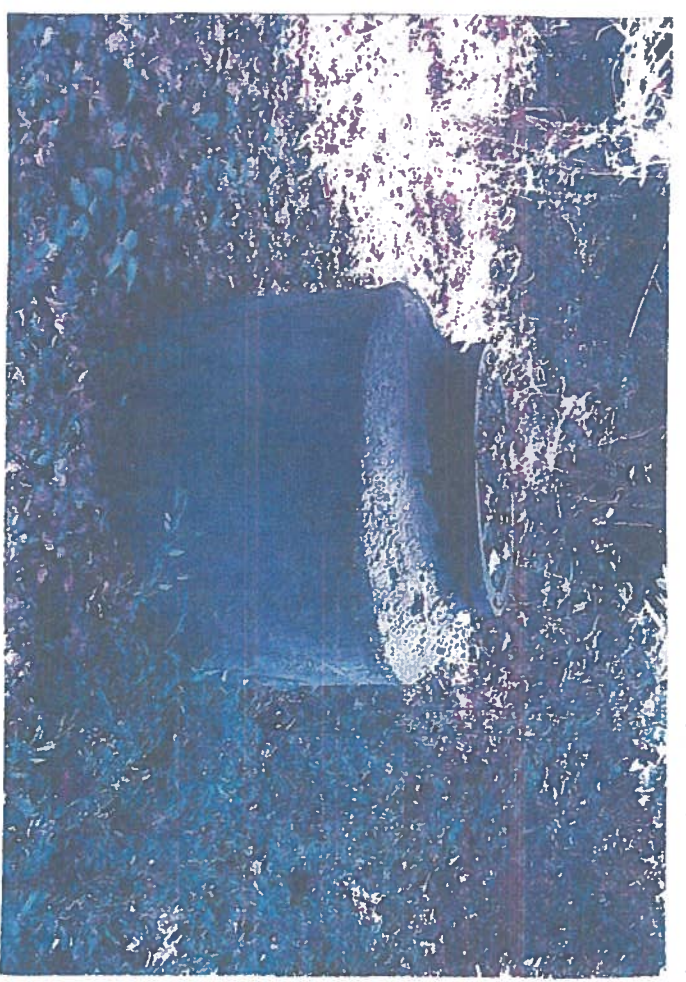
Contaminant		Standard Health Effects Language for Public Notification
National Primary Drinking Water Regulations (NPDWR):		

Shawdon/L. Fick

Exhibit D p.1



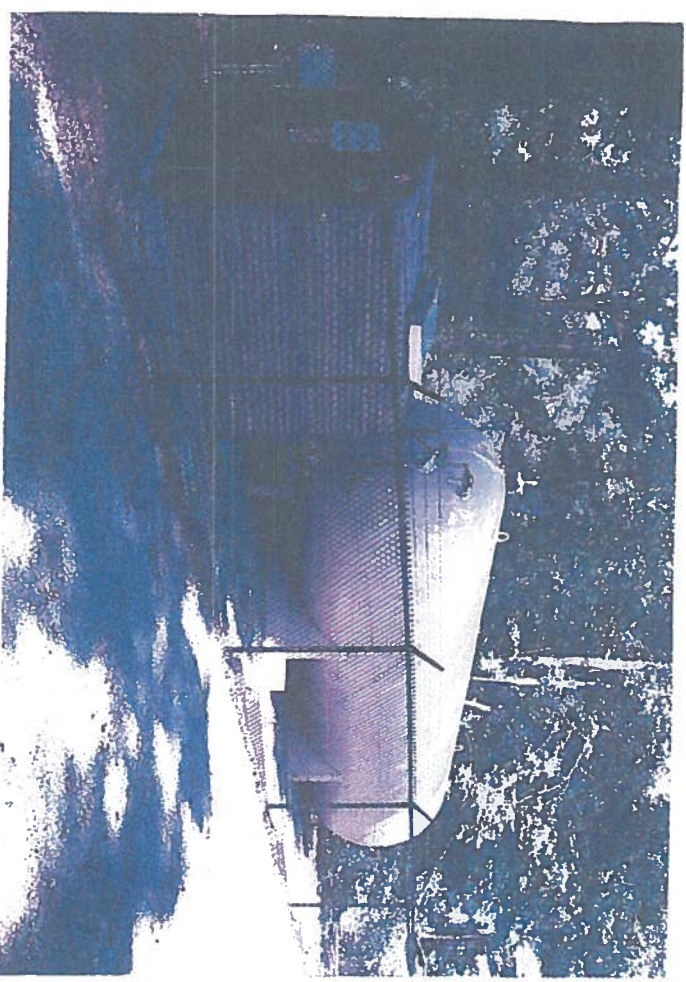
1



2



3



4

Boil Water Advisory
Shandon Subdivision
Carolina Water Service, Inc.
November 6, 2015

Please be advised that we have removed a well from service for emergency repair today, November 6, 2015. Investigating and correcting the problem may take several days to complete. You may experience periods of lower than normal pressure while the well is out of service. Please be as conservative as possible with your water usage until we notify you that the well has been returned to service. Once the work has been completed, normal water quality and pressure will be restored to your home.

As a precaution, we are issuing a boil water advisory until further notice. We ask that you please boil your water vigorously for at least 1 minute before drinking or cooking with it. A follow up message will be sent to you when this boil water advisory is lifted.

This was a courtesy call from Carolina Water Service, Inc. We apologize for any inconvenience this may cause and appreciate your patience as we work to provide you with the best possible service.

Should you have any questions or concerns, please contact our Customer Service Department at 1-800-272-1919.

Thank you.

Lifted on Thursday
November 12, 2015
at 5:00 PM (per phone call)



1-800-234-8845

Davis Freight and Water Service

6868 Davis Country Road
Randleman NC 27317

Bill To

UTILITIES INC
MIKE DAVIS
3006 SHANDON RD
ROCK HILL SC 29730Received via US Mail in
delivery 12/9/15 *2MF*

Date

11/8/2015

Invoice #

6300

Returned/
Marked" Please Return
to Sender "" Addressee
UNKNOWN AT This Address " *2MF*

Ship To

STEVEN/UTILITIES INC
3006 SHANDON RD
ROCK HILL SC 29730

P.O. Number	Terms	Rep	Ship	Via	F.O.B.	Project
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UPON RECEIPT	JEC	11/8/2015				
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Quantity	Item Code	Description	Price Each	Amount
1	TANKER RENTAL	PRESSURE TANKER DELIVERY/SET-UP/RENTAL 11/08/15	2,400.00	2,400.00
1	JEC	DRIVER JASON COLTRANE	0.00	0.00
1	TANKER RENTAL	TANKER RENTAL 11/09/15	500.00	500.00
1	TANKER RENTAL	TANKER RENTAL 11/10/15	500.00	500.00
1	TANKER RENTAL	TANKER RENTAL 11/11/15	500.00	500.00
1	TANKER RENTAL	TANKER RENTAL 11/12/15	500.00	500.00
1	TANKER RENTAL	TANKER RENTAL 11/13/15	500.00	500.00
1	TANKER RENTAL	TANKER RENTAL 11/14/15	500.00	500.00
1	TANKER RENTAL	TANKER RENTAL 11/15/15	500.00	500.00
1	TANKER RENTAL	TANKER RENTAL 11/16/15	500.00	500.00
1	TANKER RENTAL	TANKER RENTAL 11/17/15	500.00	500.00
1	TANKER RENTAL	TANKER RENTAL 11/18/15	500.00	500.00
1	TANKER RENTAL	TANKER RENTAL 11/19/15	500.00	500.00
1	TANKER RENTAL	TANKER RENTAL 11/20/15	500.00	500.00
1	TANKER RENTAL	TANKER RENTAL 11/21/15	500.00	500.00
1	WATER DELIVE...	LOADS OF WATER DELIVERED 11/21/15	1,600.00	1,600.00
1	JEC	DRIVER JASON COLTRANE	0.00	0.00
1	TANKER RENTAL	TANKER RENTAL 11/22/15	500.00	500.00
1	TANKER RENTAL	TANKER RENTAL 11/23/15	500.00	500.00
1	TANKER RENTAL	TANKER RENTAL 11/24/15	500.00	500.00
1	TANKER RENTAL	TANKER RENTAL 11/25/15	500.00	500.00
1	TANKER RENTAL	TANKER RENTAL 11/26/15	500.00	500.00
1	TANKER RENTAL	TANKER RENTAL 11/27/15	500.00	500.00
1	WATER DELIVE...	LOADS OF WATER DELIVERED 11/27/15 (per Troy 7043614377)	1,600.00	1,600.00
1	KK	DRIVER KENNY KILLION	0.00	0.00
1	TANKER RENTAL	TANKER RENTAL 11/28/15	500.00	500.00
1	TANKER RENTAL	TANKER RENTAL 11/29/15	500.00	500.00
1	TANKER RENTAL	TANKER RENTAL 11/30/15	500.00	500.00

We appreciate your prompt payment.

Total	\$16,600.00
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Phone # (336) 431-5900

Fax #

julie@daviswaterinc.com

www.DavisWaterService.com



March 27, 2017

To the Homeowners of Shandon:

We regret to inform you that Carolina Water Service must continue the ban on all outside water uses including irrigation and car washing until further notice. The ban is in effect to assure that water for domestic uses remains in place with adequate capacity and pressure. We ask that all residents cooperate with the restrictions.

We are in the process of installing a new well for added water supply. We will have the new well permitted and operational as soon as possible. We apologize for any inconvenience and appreciate your cooperation on this matter.

We greatly appreciate your cooperation during this time. If you have any questions please contact a customer service representative at 800-367-4314.

